

SB3209



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB3209

Introduced 2/9/2010, by Sen. Jeffrey M. Schoenberg

SYNOPSIS AS INTRODUCED:

305 ILCS 5/5A-12.2

Amends the Illinois Public Aid Code. Makes a technical change in a Section concerning hospital access payments.

LRB096 20181 KTG 35738 b

A BILL FOR

1 AN ACT concerning public aid.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Public Aid Code is amended by
5 changing Section 5A-12.2 as follows:

6 (305 ILCS 5/5A-12.2)

7 (Section scheduled to be repealed on July 1, 2013)

8 Sec. 5A-12.2. Hospital access payments on or after July 1,
9 2008.

10 (a) To preserve and improve access to hospital services,
11 for ~~for~~ hospital services rendered on or after July 1, 2008,
12 the Illinois Department shall, except for hospitals described
13 in subsection (b) of Section 5A-3, make payments to hospitals
14 as set forth in this Section. These payments shall be paid in
15 12 equal installments on or before the seventh State business
16 day of each month, except that no payment shall be due within
17 100 days after the later of the date of notification of federal
18 approval of the payment methodologies required under this
19 Section or any waiver required under 42 CFR 433.68, at which
20 time the sum of amounts required under this Section prior to
21 the date of notification is due and payable. Payments under
22 this Section are not due and payable, however, until (i) the
23 methodologies described in this Section are approved by the

1 federal government in an appropriate State Plan amendment and
2 (ii) the assessment imposed under this Article is determined to
3 be a permissible tax under Title XIX of the Social Security
4 Act.

5 (a-5) The Illinois Department may, when practicable,
6 accelerate the schedule upon which payments authorized under
7 this Section are made.

8 (b) Across-the-board inpatient adjustment.

9 (1) In addition to rates paid for inpatient hospital
10 services, the Department shall pay to each Illinois general
11 acute care hospital an amount equal to 40% of the total
12 base inpatient payments paid to the hospital for services
13 provided in State fiscal year 2005.

14 (2) In addition to rates paid for inpatient hospital
15 services, the Department shall pay to each freestanding
16 Illinois specialty care hospital as defined in 89 Ill. Adm.
17 Code 149.50(c)(1), (2), or (4) an amount equal to 60% of
18 the total base inpatient payments paid to the hospital for
19 services provided in State fiscal year 2005.

20 (3) In addition to rates paid for inpatient hospital
21 services, the Department shall pay to each freestanding
22 Illinois rehabilitation or psychiatric hospital an amount
23 equal to \$1,000 per Medicaid inpatient day multiplied by
24 the increase in the hospital's Medicaid inpatient
25 utilization ratio (determined using the positive
26 percentage change from the rate year 2005 Medicaid

1 inpatient utilization ratio to the rate year 2007 Medicaid
2 inpatient utilization ratio, as calculated by the
3 Department for the disproportionate share determination).

4 (4) In addition to rates paid for inpatient hospital
5 services, the Department shall pay to each Illinois
6 children's hospital an amount equal to 20% of the total
7 base inpatient payments paid to the hospital for services
8 provided in State fiscal year 2005 and an additional amount
9 equal to 20% of the base inpatient payments paid to the
10 hospital for psychiatric services provided in State fiscal
11 year 2005.

12 (5) In addition to rates paid for inpatient hospital
13 services, the Department shall pay to each Illinois
14 hospital eligible for a pediatric inpatient adjustment
15 payment under 89 Ill. Adm. Code 148.298, as in effect for
16 State fiscal year 2007, a supplemental pediatric inpatient
17 adjustment payment equal to:

18 (i) For freestanding children's hospitals as
19 defined in 89 Ill. Adm. Code 149.50(c)(3)(A), 2.5
20 multiplied by the hospital's pediatric inpatient
21 adjustment payment required under 89 Ill. Adm. Code
22 148.298, as in effect for State fiscal year 2008.

23 (ii) For hospitals other than freestanding
24 children's hospitals as defined in 89 Ill. Adm. Code
25 149.50(c)(3)(B), 1.0 multiplied by the hospital's
26 pediatric inpatient adjustment payment required under

1 89 Ill. Adm. Code 148.298, as in effect for State
2 fiscal year 2008.

3 (c) Outpatient adjustment.

4 (1) In addition to the rates paid for outpatient
5 hospital services, the Department shall pay each Illinois
6 hospital an amount equal to 2.2 multiplied by the
7 hospital's ambulatory procedure listing payments for
8 categories 1, 2, 3, and 4, as defined in 89 Ill. Adm. Code
9 148.140(b), for State fiscal year 2005.

10 (2) In addition to the rates paid for outpatient
11 hospital services, the Department shall pay each Illinois
12 freestanding psychiatric hospital an amount equal to 3.25
13 multiplied by the hospital's ambulatory procedure listing
14 payments for category 5b, as defined in 89 Ill. Adm. Code
15 148.140(b)(1)(E), for State fiscal year 2005.

16 (d) Medicaid high volume adjustment. In addition to rates
17 paid for inpatient hospital services, the Department shall pay
18 to each Illinois general acute care hospital that provided more
19 than 20,500 Medicaid inpatient days of care in State fiscal
20 year 2005 amounts as follows:

21 (1) For hospitals with a case mix index equal to or
22 greater than the 85th percentile of hospital case mix
23 indices, \$350 for each Medicaid inpatient day of care
24 provided during that period; and

25 (2) For hospitals with a case mix index less than the
26 85th percentile of hospital case mix indices, \$100 for each

1 Medicaid inpatient day of care provided during that period.

2 (e) Capital adjustment. In addition to rates paid for
3 inpatient hospital services, the Department shall pay an
4 additional payment to each Illinois general acute care hospital
5 that has a Medicaid inpatient utilization rate of at least 10%
6 (as calculated by the Department for the rate year 2007
7 disproportionate share determination) amounts as follows:

8 (1) For each Illinois general acute care hospital that
9 has a Medicaid inpatient utilization rate of at least 10%
10 and less than 36.94% and whose capital cost is less than
11 the 60th percentile of the capital costs of all Illinois
12 hospitals, the amount of such payment shall equal the
13 hospital's Medicaid inpatient days multiplied by the
14 difference between the capital costs at the 60th percentile
15 of the capital costs of all Illinois hospitals and the
16 hospital's capital costs.

17 (2) For each Illinois general acute care hospital that
18 has a Medicaid inpatient utilization rate of at least
19 36.94% and whose capital cost is less than the 75th
20 percentile of the capital costs of all Illinois hospitals,
21 the amount of such payment shall equal the hospital's
22 Medicaid inpatient days multiplied by the difference
23 between the capital costs at the 75th percentile of the
24 capital costs of all Illinois hospitals and the hospital's
25 capital costs.

26 (f) Obstetrical care adjustment.

1 (1) In addition to rates paid for inpatient hospital
2 services, the Department shall pay \$1,500 for each Medicaid
3 obstetrical day of care provided in State fiscal year 2005
4 by each Illinois rural hospital that had a Medicaid
5 obstetrical percentage (Medicaid obstetrical days divided
6 by Medicaid inpatient days) greater than 15% for State
7 fiscal year 2005.

8 (2) In addition to rates paid for inpatient hospital
9 services, the Department shall pay \$1,350 for each Medicaid
10 obstetrical day of care provided in State fiscal year 2005
11 by each Illinois general acute care hospital that was
12 designated a level III perinatal center as of December 31,
13 2006, and that had a case mix index equal to or greater
14 than the 45th percentile of the case mix indices for all
15 level III perinatal centers.

16 (3) In addition to rates paid for inpatient hospital
17 services, the Department shall pay \$900 for each Medicaid
18 obstetrical day of care provided in State fiscal year 2005
19 by each Illinois general acute care hospital that was
20 designated a level II or II+ perinatal center as of
21 December 31, 2006, and that had a case mix index equal to
22 or greater than the 35th percentile of the case mix indices
23 for all level II and II+ perinatal centers.

24 (g) Trauma adjustment.

25 (1) In addition to rates paid for inpatient hospital
26 services, the Department shall pay each Illinois general

1 acute care hospital designated as a trauma center as of
2 July 1, 2007, a payment equal to 3.75 multiplied by the
3 hospital's State fiscal year 2005 Medicaid capital
4 payments.

5 (2) In addition to rates paid for inpatient hospital
6 services, the Department shall pay \$400 for each Medicaid
7 acute inpatient day of care provided in State fiscal year
8 2005 by each Illinois general acute care hospital that was
9 designated a level II trauma center, as defined in 89 Ill.
10 Adm. Code 148.295(a)(3) and 148.295(a)(4), as of July 1,
11 2007.

12 (3) In addition to rates paid for inpatient hospital
13 services, the Department shall pay \$235 for each Illinois
14 Medicaid acute inpatient day of care provided in State
15 fiscal year 2005 by each level I pediatric trauma center
16 located outside of Illinois that had more than 8,000
17 Illinois Medicaid inpatient days in State fiscal year 2005.

18 (h) Supplemental tertiary care adjustment. In addition to
19 rates paid for inpatient services, the Department shall pay to
20 each Illinois hospital eligible for tertiary care adjustment
21 payments under 89 Ill. Adm. Code 148.296, as in effect for
22 State fiscal year 2007, a supplemental tertiary care adjustment
23 payment equal to the tertiary care adjustment payment required
24 under 89 Ill. Adm. Code 148.296, as in effect for State fiscal
25 year 2007.

26 (i) Crossover adjustment. In addition to rates paid for

1 inpatient services, the Department shall pay each Illinois
2 general acute care hospital that had a ratio of crossover days
3 to total inpatient days for medical assistance programs
4 administered by the Department (utilizing information from
5 2005 paid claims) greater than 50%, and a case mix index
6 greater than the 65th percentile of case mix indices for all
7 Illinois hospitals, a rate of \$1,125 for each Medicaid
8 inpatient day including crossover days.

9 (j) Magnet hospital adjustment. In addition to rates paid
10 for inpatient hospital services, the Department shall pay to
11 each Illinois general acute care hospital and each Illinois
12 freestanding children's hospital that, as of February 1, 2008,
13 was recognized as a Magnet hospital by the American Nurses
14 Credentialing Center and that had a case mix index greater than
15 the 75th percentile of case mix indices for all Illinois
16 hospitals amounts as follows:

17 (1) For hospitals located in a county whose eligibility
18 growth factor is greater than the mean, \$450 multiplied by
19 the eligibility growth factor for the county in which the
20 hospital is located for each Medicaid inpatient day of care
21 provided by the hospital during State fiscal year 2005.

22 (2) For hospitals located in a county whose eligibility
23 growth factor is less than or equal to the mean, \$225
24 multiplied by the eligibility growth factor for the county
25 in which the hospital is located for each Medicaid
26 inpatient day of care provided by the hospital during State

1 fiscal year 2005.

2 For purposes of this subsection, "eligibility growth
3 factor" means the percentage by which the number of Medicaid
4 recipients in the county increased from State fiscal year 1998
5 to State fiscal year 2005.

6 (k) For purposes of this Section, a hospital that is
7 enrolled to provide Medicaid services during State fiscal year
8 2005 shall have its utilization and associated reimbursements
9 annualized prior to the payment calculations being performed
10 under this Section.

11 (l) For purposes of this Section, the terms "Medicaid
12 days", "ambulatory procedure listing services", and
13 "ambulatory procedure listing payments" do not include any
14 days, charges, or services for which Medicare or a managed care
15 organization reimbursed on a capitated basis was liable for
16 payment, except where explicitly stated otherwise in this
17 Section.

18 (m) For purposes of this Section, in determining the
19 percentile ranking of an Illinois hospital's case mix index or
20 capital costs, hospitals described in subsection (b) of Section
21 5A-3 shall be excluded from the ranking.

22 (n) Definitions. Unless the context requires otherwise or
23 unless provided otherwise in this Section, the terms used in
24 this Section for qualifying criteria and payment calculations
25 shall have the same meanings as those terms have been given in
26 the Illinois Department's administrative rules as in effect on

1 March 1, 2008. Other terms shall be defined by the Illinois
2 Department by rule.

3 As used in this Section, unless the context requires
4 otherwise:

5 "Base inpatient payments" means, for a given hospital, the
6 sum of base payments for inpatient services made on a per diem
7 or per admission (DRG) basis, excluding those portions of per
8 admission payments that are classified as capital payments.
9 Disproportionate share hospital adjustment payments, Medicaid
10 Percentage Adjustments, Medicaid High Volume Adjustments, and
11 outlier payments, as defined by rule by the Department as of
12 January 1, 2008, are not base payments.

13 "Capital costs" means, for a given hospital, the total
14 capital costs determined using the most recent 2005 Medicare
15 cost report as contained in the Healthcare Cost Report
16 Information System file, for the quarter ending on December 31,
17 2006, divided by the total inpatient days from the same cost
18 report to calculate a capital cost per day. The resulting
19 capital cost per day is inflated to the midpoint of State
20 fiscal year 2009 utilizing the national hospital market price
21 proxies (DRI) hospital cost index. If a hospital's 2005
22 Medicare cost report is not contained in the Healthcare Cost
23 Report Information System, the Department may obtain the data
24 necessary to compute the hospital's capital costs from any
25 source available, including, but not limited to, records
26 maintained by the hospital provider, which may be inspected at

1 all times during business hours of the day by the Illinois
2 Department or its duly authorized agents and employees.

3 "Case mix index" means, for a given hospital, the sum of
4 the DRG relative weighting factors in effect on January 1,
5 2005, for all general acute care admissions for State fiscal
6 year 2005, excluding Medicare crossover admissions and
7 transplant admissions reimbursed under 89 Ill. Adm. Code
8 148.82, divided by the total number of general acute care
9 admissions for State fiscal year 2005, excluding Medicare
10 crossover admissions and transplant admissions reimbursed
11 under 89 Ill. Adm. Code 148.82.

12 "Medicaid inpatient day" means, for a given hospital, the
13 sum of days of inpatient hospital days provided to recipients
14 of medical assistance under Title XIX of the federal Social
15 Security Act, excluding days for individuals eligible for
16 Medicare under Title XVIII of that Act (Medicaid/Medicare
17 crossover days), as tabulated from the Department's paid claims
18 data for admissions occurring during State fiscal year 2005
19 that was adjudicated by the Department through March 23, 2007.

20 "Medicaid obstetrical day" means, for a given hospital, the
21 sum of days of inpatient hospital days grouped by the
22 Department to DRGs of 370 through 375 provided to recipients of
23 medical assistance under Title XIX of the federal Social
24 Security Act, excluding days for individuals eligible for
25 Medicare under Title XVIII of that Act (Medicaid/Medicare
26 crossover days), as tabulated from the Department's paid claims

1 data for admissions occurring during State fiscal year 2005
2 that was adjudicated by the Department through March 23, 2007.

3 "Outpatient ambulatory procedure listing payments" means,
4 for a given hospital, the sum of payments for ambulatory
5 procedure listing services, as described in 89 Ill. Adm. Code
6 148.140(b), provided to recipients of medical assistance under
7 Title XIX of the federal Social Security Act, excluding
8 payments for individuals eligible for Medicare under Title
9 XVIII of the Act (Medicaid/Medicare crossover days), as
10 tabulated from the Department's paid claims data for services
11 occurring in State fiscal year 2005 that were adjudicated by
12 the Department through March 23, 2007.

13 (o) The Department may adjust payments made under this
14 Section 12.2 to comply with federal law or regulations
15 regarding hospital-specific payment limitations on
16 government-owned or government-operated hospitals.

17 (p) Notwithstanding any of the other provisions of this
18 Section, the Department is authorized to adopt rules that
19 change the hospital access improvement payments specified in
20 this Section, but only to the extent necessary to conform to
21 any federally approved amendment to the Title XIX State plan.
22 Any such rules shall be adopted by the Department as authorized
23 by Section 5-50 of the Illinois Administrative Procedure Act.
24 Notwithstanding any other provision of law, any changes
25 implemented as a result of this subsection (p) shall be given
26 retroactive effect so that they shall be deemed to have taken

1 effect as of the effective date of this Section.

2 (q) For State fiscal years 2012 and 2013, the Department
3 may make recommendations to the General Assembly regarding the
4 use of more recent data for purposes of calculating the
5 assessment authorized under Section 5A-2 and the payments
6 authorized under this Section 5A-12.2.

7 (Source: P.A. 95-859, eff. 8-19-08; 96-821, eff. 11-20-09.)